

Message Text

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PAGE 01 STATE 178801
ORIGIN ARA-10

INFO OCT-01 SS-14 ISO-00 SAB-01 EA-06 EUR-08 AF-04
IO-06 SIG-01 L-01 EB-04 INR-05 NSC-05 CIAE-00
DODE-00 PM-03 PRS-01 PA-01 USIE-00 OES-02 PER-01
OMB-01 TRSE-00 SSO-00 INRE-00 NSCE-00 SP-02 /077 R

DRAFTED BY ARA/PAN:JBECKER:ASM
APPROVED BY ARA:AMB. STEDMAN
S/AB:AMB. BUNKER
S/AB:AMB. LINOWITZ
ARA/PAN:RWYROUGH

-----011564 300116Z /72-65

O P 300014Z JUL 77
FM SECSTATE WASHDC
TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS IMMEDIATE
INFO AMEMBASSY TOKYO PRIORITY
AMEMBASSY LONDON
AMEMBASSY PARIS
AMEMBASSY BONN
AMEMBASSY ROME
AMEMBASSY OSLO
AMEMBASSY ATHENS
AMEMBASSY MONROVIA
USMISSION USUN NEW YORK

C O N F I D E N T I A L STATE 178801

LIMDIS

E.O. 11652: GDS

TAGS: PBOR,PN

SUBJECT:STATUS OF PANAMA CANAL NEGOTIATIONS

SUMMARY: NEGOTIATIONS HAVE MADE CONSIDERABLE PROGRESS SINCE
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PAGE 02 STATE 178801

THE CURRENT ROUND BEGAN IN EARLY MAY. PRESIDENT CARTER
MET WITH PANAMANIAN NEGOTIATORS JULY 29. LEADERS FROM AT
LEAST FIVE LATIN AMERICAN COUNTRIES WILL BE MEETING IN
BOGOTA AUGUST 5 TO HEAR REPORT ON NEGOTIATIONS FROM PANAMAN-
IAN HEAD OF GOVERNMENT GENERAL TORRIJOS. THIS REPORT IS
INTENDED TO PROVIDE POSTS WITH OUTLINE OF AGREEMENTS
REACHED TO DATE AND MAY BE USED ON CONFIDENTIAL BASIS IN

BRIEFING HOST COUNTRY OFFICIALS. END SUMMARY.

1. IN VIEW OF SCHEDULED MEETING OF HEADS OF STATE/CHIEFS OF GOVERNMENT FROM PANAMA, MEXICO, COSTA RICA, COLOMBIA AND VENEZUELA AUGUST 5 AT REQUEST OF PANAMA TO DISCUSS CANAL NEGOTIATIONS, ACTION ADDRESSES MAY FIND FOLLOWING INFORMATION USEFUL IN BRIEFING HOST COUNTRY OFFICIALS AND ANSWERING INQUIRIES.

2. MEETING IS FOLLOW-UP TO PREVIOUS SESSIONS AT WHICH PANAMA HAS SOUGHT PUBLIC AND MORAL SUPPORT FROM LATIN AMERICAN STATES FOR ITS POSITION IN THE NEGOTIATIONS. IN ADDITION TO STATEMENTS MENTIONED ABOVE, OTHER HEADS OF STATE MAY ATTEND ALTHOUGH THIS NOT YET CLEAR.

3. PRESIDENT CARTER MET JULY 29 WITH CHIEF PANAMANIAN NEGOTIATORS AND PANAMANIAN AMBASSADOR TO US. PRESIDENT GAVE NEGOTIATORS A PERSONAL LETTER FOR GENERAL TORRIJOS AND EXPRESSED HIS COMMITMENT TO THE EARLY CONCLUSION OF THE NEGOTIATIONS.

4. WE EXPECT THAT SOME TECHNICAL TALKS WILL TAKE PLACE DURING THE WEEK OF AUGUST 1 ON THE THREE OUTSTANDING SUBJECTS IN THE NEGOTIATIONS, LANDS AND WATERS, ECONOMIC ARRANGEMENTS, AND THE RIGHTS OF US AND PANAMANIAN EMPLOYEES. CHIEF PANAMANIAN NEGOTIATORS WILL ACCOMPANY TORRIJOS TO BOGOTA SO THAT NEXT FORMAL NEGOTIATING SESSION WILL NOT BE CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 178801

HELD UNTIL AUGUST 8. OBJECTIVE AT THAT TIME WILL BE TO REACH AGREEMENT IN PRINCIPLE ON THE MAJOR OUTSTANDING ISSUES. WHEN THAT HAS BEEN ACHIEVED, THE TWO PARTIES WILL COMMENCE THE TREATY DRAFTING PROCESS. NO SCHEDULE HAS BEEN SET FOR THIS PHASE OF THE NEGOTIATIONS.

5. INTENSIVE NEGOTIATIONS -- INTERSPERSED WITH BRIEF RECESSES TO ALLOW THE NEGOTIATORS TO CONFER WITH THEIR RESPECTIVE GOVERNMENTS -- COMMENCED IN WASHINGTON MAY 9. UNDER TENTATIVE ARRANGEMENTS CONCLUDED THUS FAR, A NEW TREATY WOULD INCLUDE THE FOLLOWING MAJOR PROVISIONS:

-- THE UNITED STATES WOULD BE RESPONSIBLE FOR THE OPERATION AND DEFENSE OF THE CANAL UNTIL THE YEAR 2000, WHEN PANAMA WOULD ASSUME THIS RESPONSIBILITY. MUCH OF THE CURRENT SYSTEM OF US MILITARY BASES WOULD BE CONTINUED FOR THE LIFE OF THE TREATY.

-- DURING THE TREATY PERIOD PANAMA WOULD HAVE A MINORITY VOICE IN THE CANAL'S DIRECTION, BUT PANAMANIAN EMPLOYEES WOULD BE TRAINED TO ASSUME INCREASING RESPONSIBILITY FOR CANAL OPERATIONS.

-- JURISDICTION IN THE CANAL ZONE WOULD PASS OVER A 3 YEAR PERIOD TO PANAMA. PANAMA WOULD GAIN THE USE OF MUCH OF THE PRESENT CANAL ZONE, WHICH TOGETHER WITH THE CANAL ZONE GOVERNMENT WOULD CEASE TO EXIST UPON THE TREATY'S ENTRY INTO FORCE. THE EXACT LANDS AND WATERS WHICH WILL REVERT TO PANAMA IS AN UNRESOLVED ISSUE.

-- IN A SEPARATE TREATY, PANAMA WOULD DECLARE THE CANAL'S PERMANENT NEUTRALITY. BOTH THE UNITED STATES AND PANAMA WOULD UNDERTAKE TO MAINTAIN AN AGREED REGIME OF NEUTRALITY TO ASSURE THAT THE CANAL REMAINS PERMANENTLY OPEN TO SHIPPING OF ALL COUNTRIES ON A NON-DISCRIMINATORY BASIS.

CONFIDENTIAL

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PAGE 04 STATE 178801

-- PANAMA WOULD RECEIVE CONSIDERABLY MORE THAN THE 2.3 MILLION DOLLARS WHICH THE UNITED STATES NOW PAYS ANNUALLY.

THE LEVEL AND FORM OF THESE ECONOMIC BENEFITS HAS NOT YET BEEN AGREED UPON.

6. THE ECONOMIC ARRANGEMENTS FOR THE TREATY HAVE BEEN THE MAJOR SUBJECT OF DISCUSSION IN RECENT WEEKS. PANAMA ORIGINALLY DEMANDED A LUMP SUM PAYMENT OF 1.2 BILLION DOLLARS AND AN ANNUITY OF 300 MILLION DOLLARS. IT HAS SUBSEQUENTLY REDUCED ITS DEMAND TO 460 MILLION DOLLARS AND A 150 MILLION DOLLAR ANNUITY. WE CONSIDER EVEN THIS SCALED DOWN DEMAND TO BE UNREASONABLE AND ARE NOW PREPARING AN ECONOMIC OFFER WHICH CAN BE MADE TO PANAMA.

7. WE BELIEVE THAT THE OFFERS WHICH WE HAVE MADE TO PANAMA SO FAR ARE REASONABLE, AND THAT THE ECONOMIC ARRANGEMENTS WHICH WE WILL EVENTUALLY TABLE WILL BE ATTRACTIVE. SIMILARLY, ON THE LANDS AND WATERS ISSUE, WE HAVE MADE PANAMA A GENEROUS OFFER WELL BEYOND OUR INITIAL POSITION. IT PROVIDES PANAMA WITH THE USE OF MUCH OF THE PRESENT CANAL ZONE AND WILL ASSURE THE AVAILABILITY OF AREAS CRUCIAL TO THE DEVELOPMENT OF PANAMA'S URBAN CENTERS (PANAMA CITY AND COLON).

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PAGE 01 STATE 178801
ORIGIN EUR-04

INFO OCT-01 ISO-00 SS-05 /010 R

66011

DRAFTED BY:EUR:WE:KSMITH

APPROVED BY:EUR:WE:EMRROWELL

-----040641 020946Z /13

R 020213Z AUG 77

FM SECSTATE WASHDC

TO AMEMBASSY LISBON

C O N F I D E N T I A L STATE 178801

LIMDIS

FOLLOWING TELEGRAM FROM SECSTATE WASHDC DATED JULY 30,
1977 SENT ALL AMERICAN REPUBLIC DIPLOMATIC POSTS INFO TOKYO,
LONDON, PARIS, BONN, ROME, OSLO, ATHENS, MONROVIA, USUN
NEW YORK IS REPEATED TO YOU: QUOTE

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VANCE UNQUOTE CHRISTOPHER

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CANALS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Jul-1977 12:00:00 am
Decaption Date: 22 May 2009
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: JBECKER:ASM
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770273-0466
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977072/aaaaaawj.tel
Line Count: 319
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Litigation Codes:
Litigation History:
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Message ID: d9f20d64-c288-dd11-92da-001cc4696bcc
Office: ORIGIN ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
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Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
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Retention: 0
Review Action: RELEASED, APPROVED
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Review Date: 01-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1749780
Secure: OPEN
Status: NATIVE
Subject: STATUS OF PANAMA CANAL NEGOTIATIONS SUMMARY: NEGOTIATIONS HAVE MADE CONSIDERABLE PROGRESS SINCE
CONFIDENTIAL
TAGS: PBOR, EWWT, PN, US
To: ALL POSTS
Type: TE
vdkgvkey: odbc://SAS/SAS.dbo.SAS_Docs/d9f20d64-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009